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Lessons Learned in MCA Compact Development

MCC has hosted a series of workshops with partners in MCA Eligible Countries and the development community to exchange views about lessons learned since MCC was established. Below are some of the lessons which were shared:

I. Operational and Practical Lessons-Learned

High Level Political Commitment: Eligible Countries that have demonstrated a high level of political commitment to the MCA process have progressed more rapidly in developing their proposals and finalizing Compacts.

Dedicated Financial and Human Resources: Eligible Countries that have quickly identified a coordinator, or main point of contact, and have established a country core team of dedicated, compensated staff have also moved more quickly. Such a team is necessary to effectively integrate input from a broad range of key stakeholders both within and outside of government and to identify technical resources as necessary. Further, dedicated financial resources have strengthened the quality of program development and design. (See below: Characteristics of an Acceptable MCA Country Core Team)

Quality Consultative Process: Eligible Countries that focus early on having a timely, participatory, and meaningful consultative process -- which provides citizens with the opportunity to have input into the identification, prioritization and subsequent development and design of programs -- are having a greater success in program development. Maintaining an ongoing dialogue throughout Compact development and implementation allows for more sustainable efforts.

Transformative and Manageable: Eligible Countries will be most successful if they propose a program which is both transformative -- having a dramatic and long-lasting impact on poverty reduction through sustainable economic growth -- and manageable in terms of program implementation.

Early and Continuous Dialogue: Eligible Countries that are moving ahead quickly engaged with MCC early in the process and have continued a regular exchange. Although not a requirement, countries may consider coming in early with a concept paper and engaging in a dialogue sooner in their Compact development process. An engaged Ambassador to the United States, who is kept in the information/feedback loop by both MCC and the eligible country, can be an important contributor to clear and regular communications which may help facilitate the process.

Technical Feasibility: In addition to other qualitative aspects of a program proposal, during due diligence MCC evaluates a number of technical elements to determine whether it is sound investment: Is the program technically viable? Is the cost estimate correct? How is the program going to be sustained? Is there a potential

environmental/social impact? These evaluations are a necessary part of an iterative process and will result in multiple visits by technical experts. To the extent possible, MCC will communicate requirements in advance so that countries could better prepare for the visits.

Think Early About Implementation: Eligible Countries will likely be able to move more rapidly through the final stages of program development and Compact negotiations if they integrate planning implementation into their thinking earlier on including: how the program will be implemented, managed, and monitored; how funds will be managed; and how goods and services will be procured. Likewise, MCC now recognizes the need to provide eligible countries with clear guidance on the standards on which their programs will be evaluated. MCC has, and will continue to develop guidance on these issues and make them available to partner countries and the public under the “Guidance” section of the MCC website.

Think Early About Economic Analysis and Measurable Results: Eligible Countries will likely be able to move more rapidly through the final stages of program development and Compact negotiations if they integrate economic analysis and measuring results into their thinking early on, including: What is the potential economic rate of return and what drives it? What are the program and project goals? What are the expected results? How will we know if this has been successful? What data would we look at and is baseline data available? Have the hard targets for measuring success been defined up front? What entity (within the country) is responsible for collecting data, monitoring results and evaluating performance?

Pre-Compact Assistance: MCC can, where appropriate, provide Eligible Countries with pre-Compact financial assistance to facilitate Compact development, while preserving country ownership. The circumstances under which MCC may provide such assistance are outlined in the MCC Compact Support Funding guidance on MCC’s website.

II. Characteristics of an Acceptable MCA Country Core Team

One of the lessons learned by MCC from the first five Compacts is that early identification of an MCA main Point of Contact (POC) to lead the eligible country’s program development process, and establishment of a country core team, is integral to concluding a quality Compact quickly. The POC and core team must be empowered to run the process, enjoy a high level of political commitment, and have access to senior officials who can quickly make decisions and stay actively engaged.

The POC should be assigned full-time to the MCA process. The POC will need dedicated financial and administrative resources to carry out a timely, participatory and meaningful consultative process and to coordinate technical program design. This individual should have a clear mandate to develop the program, delegated authority to make some decisions, possess the skills and mandate to manage cooperation by relevant Ministries, coordinate with existing donors, and build and implement a strategy for public consultation.

The POC will need to access resources from Ministries, projects, the private sector, etc., as Compact development and program design is the responsibility of the MCA country

core team and not MCC. It is likely that the MCA country core team will change over time as the Compact development process progresses and probably will be comprised of both full time and part time resources.

MCC believes that the most effective MCA country core teams will initially comprise at least the following elements:

Outreach/Participation Coordinator: This person would develop and implement a strategy for public consultation on the MCA program so that there is a timely, participatory, and meaningful consultative process. This person should have experience with building participatory processes for development programs and experience working with a broad range of society representing civil society, the private sector, women, rural and urban poor and other key constituencies. These functions can be outsourced if the specialized skills are available in the market.

Economist/Development Expert: The country core team should include one or more individuals that will build the economic logic of the program, conduct economic analysis of the program concepts, and demonstrate how the program will lead to poverty reduction through economic growth. Such person(s) should ensure that measurement for results is fully integrated into program development, that the potential economic rate of return is analyzed coherently, and that program and project goals and expected results, and how they will be measured, are all set forth clearly.

Monitoring and Evaluation Expert: The country core team should include a Monitoring and Evaluation (M&E) expert who will work closely with the team economist. This country core team member will be ultimately responsible for formulating the M&E Plan and for refinement of the program logic, identification of impact and performance indicators, identification of appropriate baseline data, setting indicators targets and working with the entity responsible for collecting data, monitoring results and evaluating performance.

As program design progresses, the MCA country core team will need to access specialized resources related to the specific program components. As priorities emerge from the consultative process and projects are designed to stimulate poverty-reducing economic growth, the POC will need to identify the following experts to participate as country core team members:

Environment/Social Impact Expert: The country core team should include an individual who understands the country's environmental regulations and requirements, who has experience conducting or reviewing environment and social impact assessments, and who can work with the MCA country core team to ensure that environmental and social considerations are factored into the design, feasibility, timing, and cost of the Compact proposal.

Legal/Financial/Procurement Experts: Legal, financial management, and procurement expertise will be required at various stages the process to integrate adequate planning for Compact negotiation and implementation. Early identification of experts that will remain committed throughout the process, even on a part-time basis, will enable the team to

build a program proposal likely to be negotiated successfully and implemented expeditiously thereafter.

Technical/Sector Experts: The priorities that emerge from a consultation process focused on activities to reduce poverty through economic growth will determine the type of technical and sector expertise the country core team will need to complete a detailed program proposal. As the program elements are defined, the POC and MCC should identify and bring on board the technical expertise needed to supplement the country core team.